


IRVIN CORLEY, JR.  
FISCAL ANALYST  
(313) 224-1076

**City of Detroit**  
**CITY COUNCIL**  
FISCAL ANALYSIS DIVISION  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 218  
Detroit, Michigan 48226  
FAX: (313) 224-2783  
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN  
ASSISTANT FISCAL ANALYST  
(313) 224-1078

TO: Tyrone C. Scott, Executive Fire Commissioner  
Fire Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director 

DATE: April 20, 2006

RE: 2006-2007 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2006-2007 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:cyb

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Roger Short, Chief Financial Officer  
Pamela Scales, Budget Department Director  
Tina Tolliver, Budget Manager  
Chief Charlene Graham, Fire Department  
Kandia Milton, Mayor's Office

## **Fire (24)**

### **FY 2006-2007 Budget Analysis by the Fiscal Analysis Division**

#### **Summary**

The Fire Department is a General Fund agency. The recommended 2006-2007 appropriation budget is \$172.73 million, a \$7.15 million increase over the current year's Redbook budget, but with the amended budget it is an increase of less than \$1 million. The chart below shows how the amendment last July increased their budget by \$6.16 million.

#### **Fire Budget (In millions)**

	Redbook 2005-06 Budget	10% Salary Cut Restoration	Adjusted 2005-06 Budget	2006-07 Recommended Budget	Variance between Adjusted and Recommended Budgets	% Change
Appropriations	\$165.58	\$6.16	\$171.74	\$172.73	\$0.99	0.6%
Revenues	<u>20.43</u>	<u>0.00</u>	<u>20.43</u>	<u>19.27</u>	<u>(1.16)</u>	-5.7%
Net Tax Cost	\$145.15	\$6.16	\$151.31	\$153.46	\$2.15	1.4%

In addition, Council will recall that additional cuts of \$9 million were made to the Mayor's Recommended Budget that were effective last July 1. The Administration in their September 27, 2005 budget amendment letter asked Council to restore \$9.298 million, which Council did not agree to authorize and the Administration is not recommending for 2006-2007. Between transferring 43 ftes to General Services and eliminating 29 positions in EMS that accounts for \$4.75 million with salaries, pensions and fringes, which they did not request this year. The remaining \$3.55 million is tied to contracts and supplies transferred to General Services as well as certain accounts in Fire that were reduced compared with the current year.

The Fire Department protects life and property through fire, rescue and emergency response services and resources. The department provides pre-hospital medical service and enforces all laws, ordinances and regulations relating to fire prevention and suppression, as well as maintains a high state of emergency management preparedness.

#### **2005-2006 Surplus/Deficit**

The Budget Department has projected a \$.5 million surplus for the Fire Department, which is tied to better EMS revenues than were budgeted. Because the Administration plans to present again to Council the budget amendment from September and believe that Council will authorize it, they are not calling a deficit of \$9 million, due to the Administration's decision not to implement the cuts Council made to the budget.

## Overtime

The department has a 2005-2006 overtime budget of \$3.66 million, and approximately \$6 million has already been paid out as of March 31, 2006. 75% of the overspending is by uniform personnel.

The 2006-2007 Budget recommends an overtime budget of \$3.5 million.

## Personnel and Turnover Savings

Following is information by appropriation comparing FY 2005-2006 budgeted positions, March 31, 2006 filled positions and FY 2006-2007 recommended positions:

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 03/31/2006</u>	<u>Mayor's Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	<u>Mayor's Rec. Turnover</u>
<b>Fire Department (24):</b>					
240010 Administration General Office	9	8	8	(1)	\$ -
240020 Admin.-Community Relations	4	6	6	2	\$ -
240030 Admin.-Research & Devel.	5	5	5	0	\$ -
240040 Admin.-Medical Services	5	4	5	(1)	\$ -
240220 Training Division	9	9	8	0	\$ -
<b>00064 Executive Management</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>\$ -</b>
240240 Fire Marshal-Administration	18	19	17	1	\$ -
240250 Fire Marshal-Inspection	10	13	10	3	\$ -
240260 Fire Marshal-Arson Invest.	18	18	18	0	\$ -
240290 Fire Marshal-General Office	9	1	4	(8)	\$ -
<b>00065 Ordinance Enforcement</b>	<b>55</b>	<b>51</b>	<b>49</b>	<b>(4)</b>	<b>\$ -</b>
240320 EMS Administration	23	24	24	1	\$ -
240340 EMS Field Operations	303	241	273	(62)	\$ -
240350 EMS Training	3	4	3	1	\$ -
<b>00067 Emergency Medical Service</b>	<b>329</b>	<b>269</b>	<b>300</b>	<b>(60)</b>	<b>\$ -</b>
240103 Apparatus-Administration	5	5	2	0	\$ -
240105 Apparatus-Repair	29	27	2	(2)	\$ -
240110 Apparatus-Stores	9	6	1	(3)	\$ -
<b>00715 Vehicle Management &amp; Supply</b>	<b>43</b>	<b>38</b>	<b>5</b>	<b>(5)</b>	<b>\$ -</b>
240191 Fire Fighting-Administration	30	41	32	11	\$ -
240195 Fire Fighting Operations	937	1,073	1,037	136	\$ -
240215 Airport Operations-Crash Crew	10	8	11	(2)	\$ -
<b>00718 Fire Fighting Operations</b>	<b>977</b>	<b>1,122</b>	<b>1,080</b>	<b>145</b>	<b>\$ -</b>
240065 Fire Communication-Admin.	4	4	4	0	\$ -
240075 Fire Communication-Dispatch	25	25	27	0	\$ -
<b>00760 Comm. System Support</b>	<b>29</b>	<b>29</b>	<b>31</b>	<b>0</b>	<b>\$ -</b>
241000 Fire Fighting-Casino Mun. Svc.	21	11	21	(10)	\$ -
241010 Fire Marshal-Casino Mun. Svc.	7	3	7	(4)	\$ -

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2005-06</u>	<u>Filled Positions 03/31/2006</u>	<u>Mayor's Budget Positions FY 2006-07</u>	<u>Over/(Under) Actual to 05/06 Budget</u>	<u>Mayor's Rec. Turnover</u>
<b>Fire Department (24):</b>					
241015 EMS Casino Municipal Svc.	8	7	8	(1)	\$ -
<b>10151 Casino Municipal Service</b>	<b>36</b>	<b>21</b>	<b>36</b>	<b>(15)</b>	<b>\$ -</b>
<b>10580 Emergency Management</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>
24XXXX Leave of Absence	0	(7)	0	(7)	\$ -
24XXXX Worker's Comp.	0	(8)	0	(8)	\$ -
24XXXX Unmatched Positions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
	<b><u>1,501</u></b>	<b><u>1,547</u></b>	<b><u>1,533</u></b>	<b><u>46</u></b>	<b><u>\$ -</u></b>

#### Proposed Layoffs and Vacant Position Reductions

The recommended budget proposes an increase in uniform positions of 111 and a reduction in civilian positions of 79 for a net increase of 32. Of the 79, 43 are moving to General Services and 26 vacant positions will be taken out of the budget. No layoffs are anticipated.

#### Significant Funding by Appropriation

Because of the budget amendment that was authorized in June for \$6.16 million and the shift of personnel to General Services as well as the reduction in staff in EMS, there is very little shift in the budgeted appropriations.

#### **Fire (24)**

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2005-06 Budget</u>	<u>FY 2006-07 Recommended</u>	<u>Increase (Decrease)</u>
Fire Suppression & Control	\$ 1,305,507	\$ 1,360,080	\$ 54,573
Fire Prevention & Investigation	32,842	-	(32,842)
Physical Health	<u>1,566,000</u>	<u>1,670,800</u>	<u>104,800</u>
<b>Total</b>	<b>\$ 2,904,349</b>	<b>\$ 3,030,880</b>	<b>\$ 126,531</b>

#### Significant Revenue Changes by Appropriation and Source

EMS revenues projected to increase \$2.6 million in 2006-2007. This is an 18.75 % increase.

Ordinance Enforcement revenues are projected to decrease \$2.7 million to \$1.5 million which is below the 2004-2005 Actuals of \$2.25 million.

DWSD has been paying about \$1 million for overtime for 24-hour haz/mat service from four fire staff. This is the first year that it has been budgeted.

Fire staffs a specially trained Airport Crash Crew that is also 24/7 and costs \$1.3 million annually to operate. The Airport does not reimburse the general fund for that service. In 2004-2005 it was staffed at 13 ftes, budget cuts in 05-06 reduced it to 10 and the recommendation for 2006-2007 is 11 ftes.

### Issues and Questions

1. 413100 Safety Inspection Charges – Why use 4-yr. average when recent year was so high? What is the reason for the \$2.25 million in 04-05? Why was \$4.24 million budgeted in the current year?
2. 448115; 448145; 448150 -EMS billings – from Redbook to Recommended the jump is 18%. From 04-05 to 05-06 (12.064 million) the increase in budget was \$400,000 or 3.4%, and that increase was explained as possible because AccuMed was going to strengthen its efforts. Based on actuals it doesn't even look like you are going to make budget this year. And aren't those numbers just for billings – that doesn't reflect the final collection number. What is this large increase based on? Who is going to take charge of this effort?
3. Is AccuMed still in the picture? Who is doing the billing and who is doing the collecting when no one pays the bill?
4. Based on the number of runs what would the revenue be if 100% of the runs were billed and collected?
5. What percentage of billing is the dept. currently at? What are the top reasons that 100% is not billed?
6. What type of training is planned to ensure the EMTechs' gather the proper information for billing purposes before they leave the patient?
7. Please breakdown the projected deficit for the current year for both revenues and appropriations.
8. Please explain the summary of position changes chart.
9. Are all 43 positions moving to General Services filled? If not, how many are vacant?
10. Why do the Supt. and the Asst. Supt. of Fire Apparatus stay in Fire when all their staff moves to General Services? Why are 2 mechanics and a stores person also staying?
11. Why do the skilled trades in Fire Fighting Operations remain?

12. Why is the Airport Crew increasing by 1? Why does it remain since the airport is so infrequently used?
13. What is account 604915 in benefits and why is it increasing by \$1.161 million?
14. What is the Miscellaneous Expense being reduced by \$569,071?
15. Why is uniform expense increasing by \$456,000?
16. Is the \$1.9 million in 642200 for g.o. bond funds?
17. What is Acct. 663013 for, why was it not in benefits and why is it being reduced by \$1.38 million?
18. What is Acct. 704100 for and why is it being reduced by \$480,412?
19. What was the transfer to other funds and why is it being reduced by \$109,000?
20. When will the fireboat begin operating for the season?
21. Regarding uniform employees, you are currently over staffed compared to the recommended number, and yet layoffs in fire are not planned. How do you plan to cover that built-in deficit?

IC:AML:cyb